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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

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09 JAN 1984MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central IntelligenceTHROUGH : Charles E. Waterman
Vice Chairman, National Intelligence CouncilFROM : [REDACTED]
National Intelligence Officer for East Asia

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SUBJECT : East Asia: 1983 Review, 1984 Forecast

East Asia in 1983 rebounded fastest from world recession among major regions of the world, remained steady for the most part in the face of a growing Soviet military presence and approached but did not reach center stage in Washington's strategic view of the world. The Philippines, to be sure, faced intense internal pressures, and South Korea was buffeted by Soviet and North Korean actions, but overall East Asia prospered, remained generally stable, and supported American interests in most regional and international organizations.

Prospects for 1984 are less clear. Succession crises with uncertain outcomes are possible in Manila, Taipei and Beijing. Slow improvements in Sino-Soviet relations could reduce American leverage against China.

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On the other hand, steady economic growth, except in IndoChina and North Korea, will soften many of these political and economic pressures. The first opportunity in a decade could also emerge to adjust arrangements on the Korean Peninsula. US trade and investment with East Asia will expand substantially.

A handful of long range trends will dominate US thinking about East Asia in 1984 and beyond. These include:

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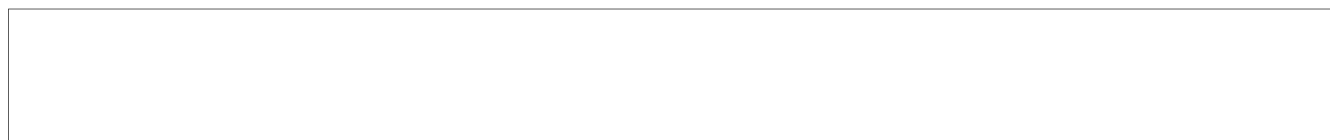
- South Korea and North Korea, with US and Chinese support, will move cautiously toward resuming talks aimed at a settlement on the Korean Peninsula, but North Korean sincerity remains in doubt.

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- Sino-Soviet talks will produce a modest reduction in tensions. Viewed cumulatively, these results will raise anxieties in Washington about Sino-Soviet rapprochement.
- Factional jockeying will continue to dominate Beijing politics as the succession to Deng nears. Taiwan will remain a central, unsettling issue in US-Chinese relations.
- Marcos' hold on power will remain tenuous, as will the Philippines' financial situation. No successor to Marcos is likely to appear.
- The stalemate in Kampuchea between Vietnamese and coalition forces will continue, increasing pressure somewhat on the US to support the coalition more actively.



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Following is a list of the major events of 1983, together with a forecast for 1984.



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Attachment:
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